

AMENDING CERTAIN LAWS RELATING TO THE POST-  
OFFICE DEPARTMENT.

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Mr. PROCTOR, from the Committee on Post-Offices and Post-Roads,  
submitted the following

REPORT.

[To accompany S. 3379.]

The Committee on Post-Offices and Post-Roads, to whom was referred the bill (S. 3379) to amend section 66 of the act of June 8, 1872, entitled "An act to revise, consolidate, and amend the statutes relating to the Post-Office Department," having considered the same, report thereon with a recommendation that it pass.

The bill has the approval of the Post-Office Department, as will appear by the following letters:

POST-OFFICE DEPARTMENT,  
OFFICE OF THE POSTMASTER-GENERAL,  
*Washington, D. C., January 11, 1904.*

SIR: I have the honor to transmit herewith, for the consideration of the Committee on Post-Offices and Post-Roads, a copy of a proposed amendment to the act of June 8, 1872.

The present law provides that sureties of postmasters may be released and new bonds obtained in lieu thereof whenever the sureties demand it or the Postmaster-General deems it necessary. The proposed amendment extends the authority of the Postmaster-General to release bonds to all other bonded persons in the service of the Post-Office Department, and gives him power to release sureties and accept new ones whenever he deems it expedient; also the power to cancel bonds of post-office clerks when they are no longer necessary.

This amendment is suggested by the great demand constantly being made upon the Department by employees from whom bonds are required and who find themselves, under the existing law, unable to cancel bonds upon which they are paying a premium far in excess of the premium demanded by other companies.

The act of March 2, 1895 (2 Supp. Rev. Stats., 419) provides:

"That the liability of the principal and sureties on all official bonds shall continue and cover the period of service ensuing until the appointment and qualification of the successor of the principal."

In view of this statute it is necessary, in order that sureties may be released or bonds canceled, that statutes shall be enacted providing for such release or cancellation in cases where it seems advisable to do so. The existing law works great hardship upon post-office clerks, mail carriers, and rural free-delivery carriers who have in past years obtained bonds by paying premiums greater than the present rate of premiums and are unable to take advantage of the reduction, and in cases where

the amount of the bond required has been reduced, but the existing bond can not be canceled in order that the bond of the smaller amount may be given in its stead. Justice to employees, as well as the efficiency of the postal service, seems to require further legislation.

The First Assistant Postmaster-General, in a communication, speaks of the proposed amendment as follows:

"The following complaint from the United National Association of Post-Office Clerks shows that it is but just to the clerks holding certain positions that the Postmaster-General should have authority to relieve them by accepting smaller bonds:

"Our attention has been directed to a number of instances where clerks have been bonded in the sums of \$2,000 and \$5,000. Orders were afterwards issued reducing the amount of bonds required of clerks performing such duties as they were engaged in. The result of that order was that the new clerk would be bonded in the reduced sum and at a lower rate of premium, while the older clerk was compelled to continue his bond in the old amount and at a higher premium."

"The only way to terminate these bonds would be to allow the clerks to resign and be reinstated by the Civil Service Commission the next day, or else change their designations, and this could not properly be done in instances where no other title would apply to the duties performed. Some clerks would regard it as a risk to resign, and consequently would continue to pay the premiums.

"The following letters will indicate to you the dissatisfaction with the present system, namely:

"DECEMBER 17, 1903.

"The FIRST ASSISTANT POSTMASTER-GENERAL,  
"Washington, D. C.

"SIR: The post-office clerks in this office are bonded in the National Surety Company, of New York, at \$1.90 per \$1,000. The United States Fidelity and Guaranty Company bond Cleveland, Ohio, clerks at 80 cents per \$1,000, and I am told will bond Youngstown clerks at same rate. Under the rulings of the Department can my clerks change bonds? I am anxious that they be permitted to get lowest possible rate. Please answer promptly, as bonds expire January 1, 1904."

"(Signed, Postmaster, Youngstown, Ohio.)

"DECEMBER 8, 1903.

"SIR: I find upon examining the bonds given by the clerks in the registry division of this office that while their duties and liabilities are virtually the same there is a great inequality as to the amount of their official bonds. For instance, one clerk is bonded at \$1,000, while another may be bonded at \$5,000. The question I am now considering is, Can a clerk's bond be reduced, and if so, what steps are necessary to take to have it adjusted?"

"(Signed, Postmaster, Washington, D. C.)

"DECEMBER 10, 1903.

"SIR: The clerks in this office are insured, under a blanket bond, in the National Surety Company, of New York, and have been paying that company \$2 per year per \$1,000 for several years. They consider that rate excessive, and desire to make a change when the time for the present bond expires, January 1, 1904. I should like to inquire if there is any ruling of the Department which will prevent making a change, and also if clerks are obliged to furnish surety company bonds or may be allowed to furnish personal bonds. In the event of giving personal bonds, can such bonds be drawn for a longer period than one year?

"Our carriers pay only 35 cents per \$1,000 per year, and our clerks think that they are as honest as the carriers and should not be discriminated against in this matter."

"(Signed, Postmaster, Ann Arbor, Mich.)

"NOVEMBER 7, 1903.

"SIR: I have at last succeeded in getting a bond company to accept my clerks and carriers at \$2.50 per thousand as against \$7.50 per thousand they are now paying, but I understand the Post-Office Department does not permit changing companies after a bond is once taken.

"I think \$7.50 per thousand an exorbitant rate, and now a company will take them at \$2.50 per thousand I would like to take advantage of the reduced rate, as the present bonds expire or cover clerks and carriers each by blanket bonds from the time the first one in either class expires, which is January 1, 1904, for clerks and February 1, 1904, for carriers. I understand these bonds only run for one year and I think we should be allowed to change at the end of any bond year, but as there is a question as to the Post-Office Department allowing such change, I write asking for information and for permission to make the change as present bonds expire."

"(Postmaster, Ponce, P. R.)

"DECEMBER 8, 1903.

"SIR: The clerks in the post-office in this city are now giving bonds to the Government furnished, I believe, by the Maryland Casualty Company, of Baltimore, Md. We are paying an annual premium of \$2.50, which we think is exorbitant, as we know we can get bonds at a lower figure elsewhere. Will you kindly inform me if the Department would allow a change to be made?"

"(Clerk, Watertown, N. Y., post-office.)

"DECEMBER 19, 1903.

"SIR: The clerks in my office think they prefer to give a personal bond rather than the surety bonds they are now using, which cost them \$2.50 per thousand. Please send me three blank bonds for their use."

"(Postmaster, Medina, N. Y.)

"DECEMBER 15, 1903.

"SIR: I respectfully ask authority from you to purchase the surety bond given by me in favor of the United States Government, for the year 1904, from the Union Surety and Guaranty Company of Philadelphia, Pa., instead of the Fidelity and Deposit Company of Maryland, as I find the rate of the former company much more reasonable than the company that now furnishes my bond."

"(Assistant postmaster, Chico, Cal.)"

I respectfully submit the proposed amendment for your consideration.

Very respectfully,

H. C. PAYNE, *Postmaster-General.*

The CHAIRMAN OF THE COMMITTEE ON POST-OFFICES AND POST-ROADS,  
*United States Senate.*

POST-OFFICE DEPARTMENT,  
OFFICE OF THE POSTMASTER-GENERAL,  
*Washington, D. C., January 21, 1904.*

SIR: I have the honor to acknowledge the receipt of your communication of the 18th instant, inclosing a copy of bill S. 3379 "To amend section 66 of the act of June 8, 1872, entitled 'An act to revise, consolidate, and amend the statutes relating to the Post-Office Department,'" and requesting to receive my opinion regarding the merits of said bill.

This bill was introduced by you in pursuance of the recommendation contained in my letter of the 11th instant, in which the need for its enactment was very fully set forth. I can think of nothing additional that is necessary to be said by me in advocacy of the passage of this bill, and therefore simply renew my recommendation that it be enacted into law.

Very respectfully,

H. C. PAYNE,  
*Postmaster-General.*

Hon. BOIES PENROSE,  
*Chairman Committee on Post-Offices and Post-Roads, United States Senate.*

